

King County Auditor's Office

Kymber Waltnunson, King County Auditor



King County

DATE: January 30, 2015

TO: Metropolitan King County Councilmembers

FROM: Kymber Waltnunson, King County Auditor

SUBJECT: Follow-up on the Performance Audit and 2012 Financial Review of the
Emergency Medical Services Levy

Emergency Medical Services Division (EMS) has made significant progress in addressing all three of our audit recommendations resulting in more accurate measurement and accounting of costs and benefits. For example, EMS and the Department of Public Health have taken steps to increase equity in overhead cost distribution. EMS has made progress in implementing our final recommendation and plans to continue as it develops and implements the strategic initiatives for the 2014-2019 levy. As it finishes implementing our recommendation, the division will consider financial performance data in determining which initiatives to expand into regional services in the next levy period.

Of the three audit recommendations:

DONE	2	Recommendations have been fully implemented Auditor will no longer monitor
PROGRESS	1	Recommendation is in progress or partially implemented Auditor will continue to monitor
OPEN	0	Recommendations remain unresolved Auditor will continue to monitor

Please see below for details on the implementation status of these recommendations.

Implementation Status as of January 2015

#	Quick Status	Recommendation	Status Detail
1	DONE	We recommend that Public Health merge the Consolidated Contracts Oversight overhead category into the Accounting, Budget, and Financial Services category (which is distributed by transaction count instead of earnings) to increase equity. EMS represents 11.6 percent of the department's earnings, but only 3.3 percent of its transaction count. This action would reduce EMS share of Consolidated Contracts Oversight by 76 percent without Public Health incurring any additional cost.	Public Health has merged the Consolidated Contracts Oversight overhead category into Budget and Financial Planning for the 2015/2016 budget. This action resulted in EMS saving about 60 percent of overhead costs associated with the Consolidated Contract.
2	DONE	We recommend that the Emergency Medical Services Division distribute the Facilities Management overhead cost category using the earnings-based or other equitable method to reflect the actual benefit received by KCM1.	EMS Division now distributes the Facilities Management Division overhead cost using the earnings-based method to reflect the benefit received by King County Medic One.
3	PROGRESS	We recommend that EMS develop methods for quantifying the financial benefits of its strategic initiatives intended to contain costs or gain efficiencies during the first year of the 2014 to 2019 levy cycle. The financial benefits should be reported consistently in EMS Annual Reports presented to the County Council and considered prior to expanding initiatives into ongoing Regional Services for the 2020 to 2025 EMS levy.	EMS is in the process of developing measures to quantify the financial impact of its strategic initiatives. The division will report on financial performance measures for its Community Medical Technician (CMT) initiative and financial impact of its Regional Records Management initiative in its 2015 annual report. EMS will continue to develop ways to quantify financial performance for its strategic initiatives, report performance data to the County Council, and consider financial performance when making decisions on which initiatives to expand to regional services as the levy progresses.

Laina Poon, Principal Management Auditor, and Elise Garvey, Management Auditor, conducted this review. Please contact Laina Poon at 477-1045 if you have any questions about the issues discussed in this letter.

cc: Dow Constantine, King County Executive
Fred Jarrett, Deputy County Executive
Rhonda Berry, Assistant Deputy County Executive
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